



## PUBLIC NOTICE



### AVAILABILITY OF PROPOSED ACTION PLAN FOR FY 2006 CDBG DISASTER RECOVERY FUNDS

In accordance with Act 5 of the 1<sup>st</sup> Extraordinary Session of 2006, the Louisiana Recovery Authority (LRA) approved for public comment on February 20<sup>th</sup>, 2006 a proposed action plan for supplemental Community Development Block Grant funds, which was developed under its guidance by the Office of Community Development (OCD), Disaster Recovery Unit of the LA Division of Administration (DOA). The LRA and OCD are developing the proposed action plan with regard to the \$6.21 billion federal grant for Hurricanes Katrina and Rita disaster recovery and rebuilding efforts administered by the U.S. Department of Housing and Urban Development (HUD). According to Act 5, in addition to LRA approval, the proposed action plan is subject to legislative approval. Proposed Action Plan proposes the allocation of Supplemental Community Development Block Grant (CDBG) funds for two infrastructure programs and one economic development program. This represents the State's initial Action Plan that will allocate approximate \$1.1875 billion for state and local infrastructure, \$332.5 million for short and long term economic recovery, and \$4.37 billion for housing programs.

#### Purpose of the Proposed Programs

- To meet urgent community recovery needs including redevelopment and revitalization of housing and infrastructure in the affected areas;
- To meet long-term economic recovery needs including redevelopment and revitalization of the affected areas;
- To eliminate the blighting effects resulting from the storms of 2005.

#### Components of the Proposed Action Plan

##### A. Economic Development (\$332.5 million total, \$95 million requested for Action Plan)

###### 1. Louisiana Bridge Loan Program (\$95 million)

- It is estimated that 81,000 small businesses were impacted by Hurricanes Katrina and Rita in 13 parishes. The majority of these funds will be used to provide loans to small firms that were located in the hurricane affected areas. The loans will be used for working capital.
- To be eligible for funding, small Louisiana businesses must have suffered losses, damages, displacement or business interruption as a direct result of either or both hurricanes. The minimum loan amount is \$5,000 and the maximum loan amount is \$100,000. Reports will be provided quarterly to the LRA and DOA, by the banks, on the number of jobs in each position, including job titles and salaries, created or retained by each of the businesses during the term of the loan.
- Each project funded will meet one of three national objectives. Until applications are received and service areas and beneficiaries are known, the specific objective cannot be determined.

##### B. Infrastructure (\$1.1875 billion total, \$237.5 million requested for Action Plan)

###### 1. Local Government Emergency Infrastructure Program (\$95 million)

- Of the \$1,187,500,000, an initial allocation of \$95,000,000 million will be programmed into the Local Government Emergency Infrastructure Program. This program will provide local governments with the required FEMA match for emergency infrastructure projects. The method of distribution will be on a first come, first served basis. As public assistance projects are approved by FEMA, the State will allocate funding for the local match for these projects if the following guidelines are met:
  - Funding is for cases of emergency need (to be determined by the State);
  - Funding will be match for projects eligible for FEMA Public Assistance;
  - Funding is for parishes which have adopted the latest base flood elevations of the FEMA Flood Recovery Guidance;
  - Funding is for parishes or communities which have adopted, implemented or are in the process of implementing the new statewide building code standards adopted in Act 12 of the 2005 1<sup>st</sup> Extraordinary Session of the Louisiana Legislature;
  - Funding is for projects recommended through a broad community planning process; and
  - That the projects receiving funding follow the best design for delivery of services in light of the population shifts and changed circumstances of many Louisiana communities.
- Each project funded will meet one of three national objectives. Until applications are received and service areas and beneficiaries are known, the specific objective cannot be determined.

###### 2. State Building Infrastructure Program (\$142.5 million)

- Approximately 1,500 state buildings were damaged by Hurricanes Katrina and Rita. Damage estimates for both buildings and

contents are approximately \$1.8 billion. Insurance will cover approximately \$300 million of that loss leaving 1.5 billion not covered by insurance. FEMA funds under the Stafford Act provisions and Presidential declarations will cover 90% of those uninsured losses, which leaves a gap of \$150 million at a time when the State's tax base has been severely impacted. \$142.5 million of the CDBG funds will be utilized to provide the FEMA match for those facilities.

- After developing the list of damaged facilities, a system was developed to set priorities. The staff of Facility Planning and Control (FP&C) in the DOA developed a decision tree that was approved by the Joint Legislative Committee on the Budget. Each project funded will meet one of three national objectives. Until applications are received and service areas and beneficiaries are known, the specific objective cannot be determined.

**C. Housing Program (\$4.37 billion total, \$18 million requested for this Action Plan)**

- The State is in the process of designing several housing programs to assist in the State's recovery efforts. Programs being considered at this time that are: Homeowner Repair, Rebuild and Relocation Program, Small Rental Property Owner Rehabilitation Program, Low Income Housing Tax Credit (LIHTC) "Piggy-back" Rental Property Development Program, Supportive Housing Programs and Pre-development Loan Program. These programs will be further refined to include a method of distribution, criteria for selection, monitoring, etc., and will be submitted to HUD as an amendment to the State's Action Plan at a later date.
- In addition, funding is being requested at this time to begin the planning of the Housing Recovery Centers. A call center will be established to begin registering and initiating case files for homeowners needing housing assistance. Housing Recovery Centers shall be placed in the most impacted areas of the State and shall be staffed with qualified financial counselors to provide information relative to refinancing options and availability of loans and grants for repair, rebuilding or relocation. These centers shall assist displaced persons, who were homeowners or renters, and property owners with creating viable housing strategies.
- The contracting process for staffing these centers must begin now in order to assist the thousands of renters and homeowners currently displaced. Existing non-profit housing entities determined by the State to have the capacity to provide these services may be contracted with to also provide these services.
- It is being requested in this Action Plan that funding be approved for costs for environmental reviews that will be needed in order to begin any type of housing program. It is expected that 18 parishes will need environmental clearance parish-wide.

**D. Administration (\$310 million total, \$18.45 million is requested for Action Plan)**

- These funds will be used to pay reasonable administration costs related to the planning and execution of disaster recovery community development activities. Program administration costs will include staff and related costs required for overall program management, coordination, monitoring, reporting and evaluation. This category includes both the State's cost of administering the program, as well as general units of general local governments costs of administering grants awarded by the State.

**E. Planning (\$9.5 million total)**

- The Louisiana Recovery Authority (LRA), Governor Blanco's statewide coordinating body for all recovery efforts, will develop priorities for the utilization of CDBG Disaster Funds. LRA's board is organized into task forces in the areas of Economic Development and Workforce Development, Health and Human Services, Infrastructure, Environmental, Housing and Education. The roles of these groups include the development of best practices based on strategic plans to guide the recovery and rebuilding process and the efficient use of funds as well as to make recommendations to the LRA Board on programs funded through the CDBG program.
- Data gathering and research of best practices will be an important role of the LRA. The results of these efforts will be used to develop priorities and programs. The LRA through its various task forces will work with OCD in the design of programs and activities to meet the goals and objectives identified in the State's plan. In addition, LRA will evaluate the progress of such programs in accomplishing these goals and objectives.

**F. Technical Assistance (\$500,000 total)**

- The LRA will provide assistance to local governments to help plan and implement long term recovery strategies. OCD will provide pre-application workshops for local governments as well as implementation workshops. One-on-one technical assistance will be provided to those local governments experiencing performance problems.

A limited number of the proposed plans will be available for distribution and may be requested in writing or by telephone (225-342-7412) from the Office of Community Development. The proposed plan will also be available for viewing and copying on the internet ([www.doa.state.la.us/cdbg/cdbg.htm](http://www.doa.state.la.us/cdbg/cdbg.htm)) today. In approximately seven days the Action Plan will be available in Vietnamese and Spanish on the internet at [www.doa.state.la.us/cdbg/cdbg.htm](http://www.doa.state.la.us/cdbg/cdbg.htm). Written comments on the proposed Action Plan may be submitted beginning today, and must be received no later than 10 days from today's date. Comments may be mailed to the Office of Community Development, Post Office Box 94095, Baton Rouge, LA 70804-9095 or sent via facsimile to 225-342-1947. Comments may also be submitted online at [www.doa.la.gov/cdbg/DRcomment.htm](http://www.doa.la.gov/cdbg/DRcomment.htm).

**Vietnamese:**

Muốn biết thêm chi tiết về Kế Hoạch Hành Động, xin gọi số (225) 342-7412 hoặc viết về địa chỉ điện thư [paul.catrou@la.gov](mailto:paul.catrou@la.gov).

**Spanish:**

Para más información sobre el plan de acción, llamar al (225) 342-7412 o email [paul.catrou@la.gov](mailto:paul.catrou@la.gov).